



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

September 25, 2001

***\$5.7 BILLION IN REVENUE ANTICIPATION NOTES SOLD --
LOW INTEREST RATES ACHIEVED ON LARGEST ONE-DAY MUNI BOND SALE;
LARGEST U.S. DEBT ISSUANCE SINCE SEPTEMBER 11***

SACRAMENTO, CA -- California State Treasurer Philip Angelides today announced the sale of \$5.7 billion in Revenue Anticipation Notes (RANs). It was the largest single issuance of municipal securities in United States history, and the largest corporate or municipal bond issuance since the tragic events of September 11. The bonds carry a fixed-rate yield of 2.22%, the lowest fixed-rate ever for RANs offered by the State of California since their inception in 1971. The overall yield, including fixed-rate and variable rate, is 2.17%. The sale of the RANs was scheduled to take place the week of September 10, but was postponed in the aftermath of the tragedy.

“As the nation strives to move forward in the wake of tragedy, California has returned to the market because of our underlying confidence in our nation’s economy. Today’s successful bond sale not only demonstrates that our State and nation are back in business, but also will result in very low borrowing costs for California taxpayers,” said State Treasurer Philip Angelides.

The negotiated sale consisted of \$3.85 billion in fixed-rate notes and \$1.85 billion in index notes. Retail investors purchased a record \$1.4 billion of the notes during a three-day retail order period. Proceeds from the bonds will be used to meet California’s cash flow borrowing needs caused by uneven revenue collection and expenditure patterns during the 2001-2002 fiscal year, and will ensure sufficient cash for state operations if the planned Department of Water Resources energy bonds are not sold during the current fiscal year. The RANs will be repaid on June 28, 2002.

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